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Individual responsibility is of prime importance to socialized industry. When the state first took over industry, and most of the new leaders were inexperienced, industrial management had to be left to an "industrial triangle," composed of a representative each of the party, the trade union, and management. As early as 1949, however, Matyas Rakosi said that the time had come for managers, foremen, and shop chiefs to realize that they were personally responsible for production and that they must learn to use the rights democracy had given them for that purpose.

Lenin described the necessity for individual leadership in modern industry by saying, "Every mechanized industry is the source and foundation of the material production of socialism - demands the strictest singleness of purpose behind the united efforts of hundreds and thousands of workers. The way to ensure this unity of or singleness of purpose is by subordinating the will of thousands to the will of one person." This singleness of purpose must manifest itself from the executives all down the line to the foremen and group leaders.

The authority of persons employed in any supervisory capacity should not be curtailed if they are to attain maximum production. The shop chief and foreman must be free to maintain discipline, each in his own way, in the workshops and make each worker feel responsible both for his work and the complete utilization of working time. Similarly, the management of a factory organized on a socialist basis must not curb the authority of the leaders of smaller units by issuing inflexible directives which make puppets of them. Instead, it must assure them of a wide scope of authority which automatically increases their responsibilities and builds initiative.

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One of the first steps taken in connection with socialization was "pro-filization," that is, each factory was reorganized and equipped to produce only one or perhaps a few closely related items instead of many diverse items. This specialization made possible a significant increase in production.

During the adjustment period, managers and experts devoted much time to theorizing and experimenting with work methods, timing, and wage scales. None of their theories and experiments took into consideration the changes industry had undergone since the war and the actual problems of present-day production. Experts set up elaborate time charts, measured each movement made by a worker, and debated the most expedient way to lift and carry a sack of sand or how to handle the implements and materials of the steel industry. On the basis of their experiments, they tried to install rigid work norms. The efficiency expert became management's key figure, and the stop watch was considered the best device for furthering technical development. Wage scales calculated on this basis were so complicated that they actually hindered productivity.

For several years the efficiency expert, usually a trained and respected engineer, exercised so great an influence over both trade unions and industrial leaders that concerted action by high-ranking party leaders was necessary to dislodge him. The expert failed to realize that in socialized industry the flow of production must be regulated by modern technology and that the Taylor and Bedeaux systems, based on analysis of motions and timing, is of only secondary importance.

In his determination to set up rigid work norms, the efficiency expert not only belittled progress in modern technology, but completely ignored the fact that industry was far from ready for the introduction of his methods.

Technical cosmopolitanism, which stems from bourgeois attitudes and political shortsightedness, jeopardizes the national economy and hinders socialist development by its refusal to acknowledge the superiority of Soviet technology over that of the West.

To adjust production equipment to meet the requirements of existing industrial conditions is the most urgent problem confronting production planning today. The progress made in technology and production planning since the war is still so far below actual requirements that the fulfillment of the Five-Year Plan is seriously impeded. Throughout the national economy, a manpower shortage likewise hinders plan fulfillment. Poor personnel policy and failure to recognize its political significance are at fault. Because the political viewpoint has been disregarded, the functions of the personnel and labor relations departments have become confused; consequently, both are incompetent.

Today, the personnel department concerns itself chiefly with the upper cadres, whereas the majority of workers fall under the supervision of the labor relations department. The latter has charge of hiring and firing workers and lower-level cadres. Since recruiting and dismissal are not performed by the personnel department, and the labor relations department does not perform personnel functions, the new workers are not processed properly, whereby the door is opened to the infiltration of undesirable or hostile elements. While the personnel department controls only the small segment of upper cadres, the labor relations department is overburdened with personnel work: recruitment, dismissals, leave, etc., and cannot fulfill its essential functions i.e., economizing manpower, increasing productivity, fixing the wage scale, and evaluating work competition.

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Actually, the personnel department has the following responsibilities: recruitment, keeping of personnel records, preventing subversive elements from infiltrating, checking the activities of workers, and broadening the technical skills and over-all culture of the workers.

The duties of the labor relations department are: (1) formulation of operating plans, including classification of workers according to wage categories, fixing of average wages for the various categories, and preparation of a wage-increase schedule for the plan year; (2) supervision of the realization of the manpower plan; (3) planned increase in productivity, which includes preparing norms, keeping records, and analyzing norm fulfillment; compilation and evaluation of statistics on productivity separately in the main plant and the auxiliary shops; and supervision of norms; (4) questions of absenteeism; and (5) recording, evaluating, and directing work competition.

Briefly, the personnel department must secure sufficient manpower to meet the current needs of production, while the labor relations department must take charge of matters pertaining to the increase in productivity.

One of the defects of planned production lies in the fact that the relationship between the planning and production departments has not been clarified. A decision made by the party and the government in 1950 established the planning and production departments as independent units. In most enterprises, as well as in some ministries, the planning department interferes with operations, and the production department fulfills only the function of speeding up production. The functions of the two departments have become confused. As a result, all sense of personal responsibility has been lost, to the great detriment of production.

A well-organized production plan cannot, in itself, guarantee smooth and maximum production. In the course of production, unforeseen problems which must be dealt with on the spot may arise, such as the quantity and quality of semi-finished goods under production, rejects, and innovations brought to light through competitive work. These matters are the responsibility of the production department. The latter deals with immediate, concrete problems which arise during the execution of the plan; it directs, supervises, and, when necessary, actively intervenes.

Although no protests are voiced openly against the production methods of the USSR, there is a general reluctance to adopt them, under the pretext that they are ill suited to labor conditions in Hungary. Hungarian industry is not as progressive in technique and organization as Soviet industry, but Soviet methods could easily be adapted to conditions prevailing here, were it not for the stubborn and reactionary attitude of technical and economic functionaries. Furthermore, the enemy who has infiltrated into leading positions is doing everything possible to prevent industry from profiting by the experience in industrial leadership and work methods of the USSR.

It is the duty of party organizations to disseminate among the workers the importance of adopting Soviet methods and to fight opposition to the introduction of these methods wherever it is encountered.

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